...And What Now for the Future of PMS Contracts?

As is the norm when it comes to dealing with the NHS, there is little consistency across the country with regard to how Local Area Teams are dealing with PMS practices. Some practices have had a review of their contract, some have had a second review and there are still some practices who have had no review at all! Some have grouped together within CCGs and fought against severe reviews which would damage the stability of practices and others have had little choice but to accept the offer being made.

What is clear, however, is that a mandate was sent out to all Area Teams in February 2014 telling them to have reviewed all their PMS contracts by 31st March 2016. Despite this, some still have not got their act together and it is unlikely that they will all meet this deadline.

It has become apparent that the current agenda for PMS contracts is to bring them into line with GMS contracts and do away with them altogether. The start of this process was to pay practices according to their weighted list rather than their actual list. The weighted list is calculated using seven criteria based on the original Car-Hill formula. (This, of course, is supposed to be being reviewed in the current year of 2015/16, but although there appears to have been some comment on potential changes, no new formula has yet been published). As most practices have now had some sort of review, most are now paid on this basis and are now familiar with the calculation which takes place quarterly.

In some areas outside of London, we are already seeing the beginning of the end being put into action.

**The Current Offer**

What we are seeing being offered around the country is the following:

1. Return immediately to GMS.
2. Return to GMS over a fixed period with transitional funding.
3. Stay with PMS but with reduced funding.

Some of our clients have already had to make a decision and the general view is that option two is the best of a bad bunch.

The first option should be ignored as this gives no additional funding. The last option would not seem sensible for two reasons. Firstly, Key Performance Indicators (KPIs) still need to be maintained which, for some, are onerous, such as extended opening hours and specific targets. Secondly, the PMS contract is only a five year contract and does need to be renegotiated after this period. The risk here is that the contract might not be renewed. This, therefore, leaves option two.
Option two is offering the protection of a GMS contract, but with additional funding, which could be said to equate to the GMS MPIG correction factor. This is being called the “PMS premium” which is the difference between the PMS and GMS contract. Most are being offered this transitional funding on a reducing balance basis to end at the same time as the reduction of the MPIG correction factor, that being 2021.

GMS practices are currently being paid £75.77 per patient and this is likely to be increased by just under £1 a year to take account of the absorption of the MPIG correction factor and seniority back into core funding. This will mean that we can expect the global sum payment per weighted patient to be just over £80 per patient by 2021, excluding any annual pay review increase.

So, after the aim to move away from a contract which was based on list size funding, we have now come full circle and it would appear that the best option now is to increase your list size to maintain your income.